

**TOWNSHIP OF MAPLE FOREST
CRAWFORD COUNTY, MICHIGAN
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

TOWNSHIP OFFICIALS

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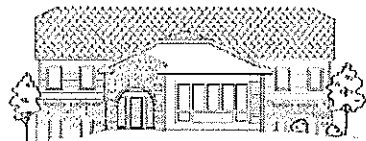
TRUSTEES

KRIS MADILL

BERNARD FELDHAUSER

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INDEPENDENT AUDITOR'S REPORT

January 30, 2009

To the Township Board
Township of Maple Forest

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Maple Forest Township, Crawford County, Michigan as of and for the year ended June 30, 2008, which collectively comprise the Township's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund of the Township of Maple Forest, Crawford County, Michigan as of June 30, 2008, and the respective changes in financial position, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Township of Maple Forest has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America have determined is necessary to supplement, although not required to be a part of, the financial statements.

The budgetary comparison information on pages 19 through 21, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Keskine, Cook, Miller & Reppuhn LLP

Keskine, Cook, Miller & Reppuhn, LLP
Certified Public Accountants

**TOWNSHIP OF MAPLE FOREST
STATEMENT OF NET ASSETS
JUNE 30, 2008**

| Assets | |
|----------------------------|------------------------|
| Current Assets: | |
| Cash | \$ 26,826 |
| Investments | 339,802 |
| | <hr/> |
| Total Current Assets | 366,628 |
| Non-Current Assets: | |
| Capital Assets | 295,706 |
| Accumulated Depreciation | (52,310) |
| | |
| Total Non-Current Assets | 243,396 |
| | |
| Total Assets | <hr/> 610,024 <hr/> |
| Liabilities | |
| Current Liabilities | |
| Due to Other Governments | 3,863 |
| | <hr/> |
| Total Liabilities | <hr/> 3,863 <hr/> |
| Net Assets | |
| Invested in Capital Assets | 243,396 |
| Restricted for: | |
| Public Improvement | 272,479 |
| Unrestricted | 90,286 |
| | <hr/> |
| Total Net Assets | <hr/> \$ 606,161 <hr/> |

See accompanying notes to financial statements.

**TOWNSHIP OF MAPLE FOREST
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

| | <u>P R O G R A M R E V E N U E S</u> | | | | Net (Expense) Revenue and Changes in Net Assets |
|---|--|-------------------------|--|--|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Functions / Programs | | | | | |
| General Government | \$ (105,620) | \$ - | \$ - | - | \$ (105,620) |
| Fire Protection | (38,772) | - | - | - | (38,772) |
| Public Improvements | (10,361) | - | 66,496 | - | (56,135) |
| Total Governmental Activities | (154,753) | - | 66,496 | - | (88,257) |
| General revenue - | | | | | |
| Property Taxes, Levied for: | | | | | |
| General Operations | | | | | 19,995 |
| Fire Protection | | | | | 23,670 |
| Investment Earnings | | | | | 13,891 |
| State Shared Revenue (not restricted to specific purpose) | | | | | 42,841 |
| Miscellaneous Revenues | | | | | 8,501 |
| Total General Revenues | | | | | 108,898 |
| Change in Net Assets | | | | | 20,641 |
| Net Assets - July 1, 2007 | | | | | 585,520 |
| Net Assets - June 30, 2008 | | | | | \$ 606,161 |

See accompanying notes to financial statements

TOWNSHIP OF MAPLE FOREST
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

| | <u>Major Funds</u> | | | |
|--|--------------------|----------------------------|------|------------|
| | General | Public Improve- ment | Fire | Total |
| Assets | | | | |
| Cash | \$ 26,826 | \$ - | \$ - | \$ 26,826 |
| Investments | 67,323 | 272,479 | - | 339,802 |
| Total Assets | 94,149 | 272,479 | - | 366,628 |
| | | | | |
| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Due to Other Governments | 3,863 | - | - | 3,863 |
| Fund Balances | | | | |
| Fund balance reserved for public improvement | - | 272,479 | - | 272,479 |
| Fund balance reserved for fire protection | - | - | - | - |
| Fund balance, unreserved, undesignated | 90,286 | - | - | 90,286 |
| Total Fund Equity | 90,286 | 272,479 | - | 362,765 |
| Total Liabilities and Fund Balances | \$ 94,149 | \$ 272,479 | \$ - | \$ 366,628 |

See accompanying notes to financial statements

**TOWNSHIP OF MAPLE FOREST
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008**

| | <u>Major Funds</u> | | | |
|--|--------------------|-------------|-----------|------------|
| | General | Improvement | Fire | Total |
| Revenues: | | | | |
| Property Taxes | \$ 23,159 | \$ - | \$ 23,670 | \$ 46,829 |
| State Revenue Sharing | 42,841 | - | - | 42,841 |
| Charges for Services | 5,337 | - | - | 5,337 |
| Impact Fee Revenues | - | 66,496 | - | 66,496 |
| Interest | 9,274 | 4,617 | - | 13,891 |
| Total Revenues | 80,611 | 71,113 | 23,670 | 175,394 |
| Expenditures: | | | | |
| General government | 98,857 | - | - | 98,857 |
| Fire protection | - | - | 38,772 | 38,772 |
| Improvements | - | 10,361 | - | 10,361 |
| Total Expenditures | 98,857 | 10,361 | 38,772 | 147,990 |
| Excess (deficiency) of revenues over expenditures | (18,246) | 60,752 | (15,102) | 27,404 |
| Other financing sources (uses) | - | - | - | - |
| Net Change in Fund Balances | (18,246) | 60,752 | (15,102) | 27,404 |
| Fund Balance - July 1, 2007 | 108,532 | 211,727 | 15,102 | 335,361 |
| Fund Balance - June 30, 2008 | \$ 90,286 | \$ 272,479 | \$ - | \$ 362,765 |

See accompanying notes to financial statements.

**TOWNSHIP OF MAPLE FOREST
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

| | |
|--|---------------|
| Net Change in Fund Balances - (per Statement of Revenues, Expenditures and Changes in Fund Balances - page 7) | 27,404 |
| Amounts reported for governmental activities in the Statement of Activities (page 7) are different because: | |
| Depreciation expense is recorded in the Statement of Activities but not in the fund financial statements | (6,763) |
| Change in Net Assets of Governmental Activities (per Statement of Activities - page 4) | <u>20,641</u> |

See accompanying notes to financial statements.

**TOWNSHIP OF MAPLE FOREST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

NOTE A: ENTITY

GENERAL

The Township of Maple Forest is a general law township of the State of Michigan located in Crawford County, Michigan. It operates under an elected board and provides service to its residents in many areas, including community enrichment and human services. The criteria established for the reporting entity's financial statements include oversight responsibility, scope of public service, and special financing relationships. On this basis, the financial statements include all of the governmental functions of the Township of Maple Forest.

LANDFILL

A private landfill is located within the Township's borders. The landfill pays impact fees to the Township for the purpose of keeping the Township's land appealing to its citizens. The fees received by the Township are spent on Public Improvement, and are recorded in a separate fund in these financial statements.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of the Township of Maple Forest are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations including required disclosures of the Township's financial activities.

The accounting policies of the Township of Maple Forest conform to the generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On July 1, 2003, the Township adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

Under the provisions of GASB Statements No. 34 and 38, the focus of the Township's financial statements has shifted from a fund focus to a government-wide focus.

**TOWNSHIP OF MAPLE FOREST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT
PRESENTATION**

Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Township as a whole, excluding fiduciary activities, such as tax collection activities.

Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by taxes and Township general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. The Township does not engage in any business-type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with functional programs. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Township's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental and fiduciary funds. Major individual governmental funds are reported in separate columns with composite columns for non-major funds. The measurement focus and basis of accounting for the government-wide and fund financial statements are described in a subsequent section of this note.

**TOWNSHIP OF MAPLE FOREST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND TYPES AND MAJOR FUNDS

Governmental Funds

The Township reports the following major governmental funds:

General Fund - This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state and federal distributions, grants and other inter-governmental revenues.

Public Improvement Fund – This fund is used to account for the impact fees collected from Waste Management (see also Note A) and spent for improvements.

Fire Fund – This fund is set up to receive revenues derived from property taxes and turn them over to the local fire authority.

The Township reports its Fire and Township Improvement Funds as non-major funds.

Other Funds

Fiduciary Fund - This fund is used to account for assets held in trust or as an agent for others. Tax collection activities are recorded in this category. Fiduciary activities are not reported in the government-wide financial statements, in accordance with GASB Statement No. 34.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Township are prepared in accordance with generally accepted accounting principles (GAAP). The Township applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Township does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

**TOWNSHIP OF MAPLE FOREST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Government-Wide Financial Statements

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to Township departments.

Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental Fund Financial Statements

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available.

Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Township considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: sales and use taxes, property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

**TOWNSHIP OF MAPLE FOREST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES

Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned.

- a) Properties are assessed as of December 31, and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 15. A county revolving fund normally pays the balance of the Township's tax levy by May 31 each year.
- b) In accordance with GASB 33 "Accounting and Financial Reporting for Nonexchange Transactions", the Township records property tax revenue on the lien date when it becomes an enforceable legal claim for the Township. Therefore, all taxes levied on December 1, 2007 are recorded as revenue in the current fiscal year.
- c) The Township 2007 tax roll millage rates were as follows:

| PURPOSE | RATE/ASSESSED VALUATION |
|----------------|--------------------------------|
| General | .81490 mills per \$1,000 |
| Fire | .96760 mills per \$1,000 |

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CAPITAL ASSETS AND DEPRECIATION

The Township's property, plant, and equipment, with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The Township generally capitalizes assets with historical cost of \$1,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

**TOWNSHIP OF MAPLE FOREST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS AND DEPRECIATION (CONTINUED)

Estimated useful lives, in years, for depreciable assets are as follow

| | |
|----------------------------|---------------|
| Buildings and improvements | 25 – 40 years |
| Land improvements | 10 – 20 years |
| Machinery and equipment | 5 – 10 years |
| Fire Vehicles | 20 years |

Land and construction in progress are not depreciated.

For information describing capital assets, see Note E.

**LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND
DISCOUNTS/PREMIUMS**

In the government-wide financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effect of interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures. The Township has no long term debt.

ENCUMBRANCES

Encumbrances involving the current recognition of purchase orders, contracts and other commitments for future expenditures are not recorded.

ACCUMULATED UNPAID BENEFITS

Employees are not allowed to accumulate vacation and sick pay; therefore, no accumulated amount has been recorded in these financial statements.

**TOWNSHIP OF MAPLE FOREST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGET

Each year the unit formulates and adopts a budget as follows:

1. Prior to July 1, a preliminary budget is prepared for all funds.
2. Public hearings are held to obtain taxpayer comments.
3. Budget is adopted at the Township Board meeting in June each year.

The budget as prepared conformed to P.A. 621 of 1978.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional and activity basis. The approved budget of the Township for these budgetary funds were adopted on a Fund level using the modified accrual basis. Budgets as adopted end on June 30, of each year. There are no carryover budget items.

NOTE C: CASH AND INVESTMENTS

CASH DEPOSITS

The Township combines all funds except Trust and Agency (tax collection) monies into common checking and investment accounts. Combined balances at June 30, 2008, are as follows:

COMBINED CHECKING

| | |
|--------------------|--------------------------|
| General | \$ 26,826 |
| Fire | - |
| Public Improvement | <u>339,802</u> |
| | <u><u>\$ 366,628</u></u> |

The Township's deposits are categorized to give an indication of the level of risk assumed by the Township at fiscal year-end. The categories are described as follows:

- Category 1 - Insured or collateralized with securities held by the Township or by its agent in the Township's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Township's name.
- Category 3 - Uncollateralized.

**TOWNSHIP OF MAPLE FOREST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

NOTE C: CASH AND INVESTMENTS (CONTINUED)

| | <u>BANK BALANCE</u> | <u>1</u> | <u>CATEGORY 2</u> | <u>3</u> | <u>CARRYING AMOUNT</u> |
|-------------------|-------------------------|------------------|-----------------------|-------------|----------------------------|
| Combined Checking | <u>\$366,628</u> | <u>\$ 26,826</u> | <u>\$339,802</u> | <u>\$ -</u> | <u>\$366,628</u> |

INVESTMENTS

Investments are stated at cost, which approximates fair market value.
Investments consist of securities with original maturities in excess of 90 days.
Investing is performed in accordance with a Township investment policy,
complying with state statutes.

NOTE D: CAPITAL ASSETS

The following is a summary of the capital asset activity of the Township
for the year ended June 30, 2008:

| | <u>CAPITAL ASSETS NOT DEPRECIATED</u> | <u>CAPITAL ASSETS DEPRECIATED</u> | | |
|---------------------------------|---|---------------------------------------|--------------------------------------|-------------------|
| | <u>Land</u> | <u>Buildings & Components</u> | <u>Furniture & Equipment</u> | <u>Totals</u> |
| Governmental Activities | | | | |
| Balance, July 1, 2007 | \$ 5,000 | \$ 270,369 | \$ 20,337 | \$ 295,706 |
| Increases | - | - | - | - |
| Decreases | - | - | - | - |
| Balance, June 30, 2008 | <u>5,000</u> | <u>270,369</u> | <u>20,337</u> | <u>295,706</u> |
| Accumulated Depreciation | | | | |
| Balance, July 1, 2007 | - | 34,701 | 10,846 | 45,547 |
| Increases | - | 5,407 | 1,356 | 6,763 |
| Decreases | - | - | - | - |
| Balance, June 30, 2008 | - | <u>40,108</u> | <u>12,202</u> | <u>52,310</u> |
| Governmental Activities | | | | |
| Capital Assets, Net | <u>\$ 5,000</u> | <u>\$ 230,260</u> | <u>\$ 8,134</u> | <u>\$ 243,395</u> |

**TOWNSHIP OF MAPLE FOREST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

NOTE E: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the Township as follows:

Governmental Activities

| | |
|-------------------------|-----------------|
| Township Administration | \$ 1,356 |
| Township Hall & Grounds | <u>5,407</u> |
| Total | <u>\$ 6,763</u> |

NOTE F: FUND BALANCE/NET ASSETS

DESIGNATED FUND BALANCE

The Township Board has set aside \$272,479 as designated fund balance to be used for Township Improvements.

NOTE G: CONTINGENCIES

INSURANCE

The Township is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Township has purchased commercial insurance coverage for the above risks. There were no significant changes in coverage, nor were there any significant claims for the year. The Township also carries commercial insurance for other types of losses including employee health and accident insurance.

**TOWNSHIP OF MAPLE FOREST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

NOTE G: CONTINGENCIES (CONTINUED)

LANDFILL

A private landfill is located within the Township's borders. Both the Township and the owner are insured for potential calamities. The Township has no knowledge of any potential environmental liabilities with respect to the landfill.

NOTE H: PENSION PLAN

The Township established a defined contribution pension plan covering substantially all of its elected officials. Total pension expense for the year was \$2,104. Covered payroll amounted to \$31,188. Payments made to the plan vest immediately to the participants. The plan provides fully insured pension credits and each year's contribution is sufficient to fully fund the benefits earned during the year. Payments to the plan have been used only to purchase benefits. There are no separate plan assets.

TOWNSHIP OF MAPLE FOREST
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

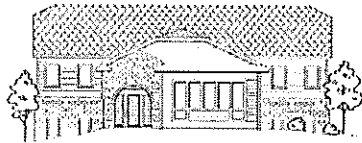
| | Original Budget | Final Amended Budget | Actual | Variance From Final Amended Budget |
|---------------------------------|--------------------|----------------------------|---------------|---|
| Revenues | | | | |
| Property Taxes | \$ 21,500 | \$ 21,500 | \$ 23,159 | \$ 1,659 |
| Interest | 3,000 | 3,000 | 9,274 | 6,274 |
| State Revenue Sharing | 42,790 | 42,790 | 42,841 | 51 |
| Refunds and Reimbursements | - | - | 4,165 | 4,165 |
| Charges for Services | 550 | 550 | 1,172 | 622 |
| Total Revenues | 67,840 | 67,840 | 80,611 | 12,771 |
| Expenditures | | | | |
| General Government | | | | |
| Township Board: | | | | |
| Trustee Salaries and Wages | 2,500 | 2,500 | 5,750 | (3,250) |
| Payroll Taxes | 5,500 | 5,500 | 2,517 | 2,983 |
| Pension Plan | 2,100 | 2,100 | 2,104 | (4) |
| Tax Roll Preparation Services | 1,500 | 1,500 | 1,515 | (15) |
| Assessing/Professional Services | 18,700 | 18,700 | 22,330 | (3,630) |
| Accounting and Legal Services | 6,000 | 6,000 | - | 6,000 |
| Education | 1,000 | 1,000 | 1,700 | (700) |
| Election Salary | 550 | 550 | 599 | (49) |
| Printing and Publishing | 1,500 | 1,500 | 675 | 825 |
| Insurance, Bonds | 4,700 | 4,700 | 4,693 | 7 |
| Dues and Fees | 1,000 | 1,000 | 1,333 | (333) |
| Zoning- Admin Enforcement | 7,500 | 7,500 | 4,070 | 3,430 |
| Miscellaneous | 3,000 | 3,000 | 6,757 | (3,757) |
| Total Township Board | 55,550 | 55,550 | 54,043 | 1,507 |
| Supervisor: | | | | |
| Supervisor Salary | 6,084 | 6,084 | 6,084 | - |
| Deputy Salary | - | - | 136 | (136) |
| Office Supplies | 2,500 | 2,500 | 4,947 | (2,447) |
| Total Supervisor | 8,584 | 8,584 | 11,167 | (2,583) |
| Clerk: | | | | |
| Clerk Salary | 9,864 | 9,864 | 9,864 | - |
| Deputy Salary | 200 | 200 | 25 | 175 |
| Total Clerk | 10,064 | 10,064 | 9,889 | 175 |
| Board of Review | 900 | 900 | 787 | 113 |
| Treasurer: | | | | |
| Treasurer Salary | 8,660 | 8,660 | 8,660 | - |
| Deputy Salary | 50 | 50 | - | 50 |

**TOWNSHIP OF MAPLE FOREST
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

| | Original Budget | Final Amended Budget | Actual | Variance From Final Amended Budget |
|---|----------------------------|-------------------------------------|------------------|---|
| Total Treasurer | 8,710 | 8,710 | 8,660 | 50 |
| Township Hall: | | | | |
| Office Supplies | - | - | 878 | (878) |
| Software and Technical Support | 1,500 | 1,500 | 1,432 | 68 |
| Hall Maintenance & Repairs | 4,700 | 4,700 | 2,440 | 2,260 |
| Lawn Care and Snow Removal | 2,200 | 2,200 | 1,300 | 900 |
| Utilities | 6,000 | 6,000 | 5,917 | 83 |
| Buildings and Improvements | 25,000 | 25,000 | - | 25,000 |
| Equipment and Furniture | 1,500 | 1,500 | - | 1,500 |
| Total Township Hall | 40,900 | 40,900 | 11,967 | 28,933 |
| Cemetery: | | | | |
| Contracted Services | 700 | 700 | 250 | 450 |
| Utilities | 1,000 | 1,000 | 2,094 | (1,094) |
| Total Cemetery | 1,700 | 1,700 | 2,344 | (644) |
| Total Expenditures | 126,408 | 126,408 | 98,857 | 27,551 |
| Excess (Deficiency) of Revenues over Expenditures | (58,568) | (58,568) | (18,246) | 40,322 |
| Other financing sources | | | | |
| Excess (Deficiency) of Revenues and Other Sources over Expenditures | (58,568) | (58,568) | (18,246) | 40,322 |
| Fund Balance - July 1, 2007 | 52,873 | 52,873 | 108,532 | 55,659 |
| Fund Balance - June 30, 2008 | <u>\$ (5,695)</u> | <u>\$ (5,695)</u> | <u>\$ 90,286</u> | <u>\$ 95,981</u> |

**TOWNSHIP OF MAPLE FOREST
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC IMPROVEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2008**

| | Original Budget | Final Amended Budget | Actual | Variance From Final Amended Budget |
|--|----------------------------|-------------------------------------|-------------------|---|
| Revenues | | | | |
| Impact Fee Revenues | \$ 70,000 | \$ 70,000 | \$ 66,496 | \$ (3,504) |
| Interest | 10,000 | 10,000 | 4,617 | (5,383) |
| Total Revenues | 80,000 | 80,000 | 71,113 | (8,887) |
| Expenditures | | | | |
| Improvements | 500 | 500 | 10,361 | (9,861) |
| Appropriation transfer out | - | - | - | - |
| Excess (deficiency) of Revenues over Expenditures | 79,500 | 79,500 | 60,752 | (18,748) |
| Fund Balance - July 1, 2007 | 198,126 | 198,126 | 211,727 | (13,601) |
| Fund Balance - June 30, 2008 | \$ 277,626 | \$ 277,626 | \$ 272,479 | \$ (5,147) |



Keskin, Cook, Miller & Reppuhn, LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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Terry J. Distel, CPA (Ret.)
Joseph G. Okrei, CPA (Ret.)
Walter J. Keskin, CPA (Ret.)
Ronald D. Alexander, CPA (Ret.)

January 30, 2009

To the Township Board
Township of Maple Forest
Crawford County, MI

We have audited the financial statements of the governmental activities and the major funds of the Township of Maple Forest (the Township) for the year ended June 30, 2008, and have issued our report thereon dated January 30, 2009. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated [date of engagement letter], our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters on November 3, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Township are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of accumulated depreciation is based on the estimated useful life of the assets. We evaluated the key factors and assumptions used to develop the useful life in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the Township's Measurement Focus and Basis of Accounting policy in Note 2 to the financial statements. We evaluated standard governmental accounting policies and procedures in determining the adequacy of the disclosure from a neutral, consistent and clear perspective for the end user.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Township's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Segregation of Duties

A properly designed system of internal control segregates the accounting responsibilities from employees who have access to physical assets such as cash, investments and payroll, from authorization and approval of transactions and account reconciliations. The small size of the Township's staff precludes a complete segregation of duties resulting in more than a remote risk that material misstatements could occur and not be detected during normal activities.

Preparation of Financial Statements

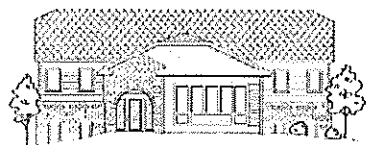
The definition of a significant deficiency includes any condition that adversely affects the ability to report financial data in accordance with generally accepted accounting principles (GAAP). As a matter of convenience, the Township has always relied upon its auditors to prepare financial statements and related notes and supplemental schedules for external reporting in accordance with GAAP. As a consequence, the Township has not developed the tools and resources necessary to enable its employees to prepare reports in conformity with GAAP in the normal course of performing their assigned functions. The Township has committed the resources necessary to meet its internal reporting needs. In this regard, it is not unlike many other Governmental Units of its size.

This communication is intended solely for the information and use of management, the Township of Maple Forest's Board of Directors and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Keskine, Cook, Miller & Reppuhn LLP

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January 30, 2009

To the Township Board
Township of Maple Forest
Cheboygan County, MI

In planning and performing our audit of the financial statements of the governmental activities and the major fund of the Township of Maple Forest (the Township) as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Governmental Unit's internal control. Our consideration of internal control included procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented, but it did not include procedures to test the operating effectiveness of controls, and accordingly, was not directed to discovering significant deficiencies in internal control. Accordingly, we do not express an opinion on the effectiveness of the Governmental Unit's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control.

Segregation of Duties

A properly designed system of internal control segregates the accounting responsibilities from employees who have access to physical assets such as cash, investments and payroll, from authorization and approval of transactions and account reconciliations. The small size of the Township's staff precludes a complete segregation of duties resulting in more than a remote risk that material misstatements could occur and not be detected during normal activities.

Preparation of Financial Statements

The above definition of a significant deficiency includes any condition that adversely affects the ability to report financial data in accordance with generally accepted accounting principles ("GAAP"). As a matter of convenience, the Township has always relied upon its auditors to prepare financial statements and related notes and supplemental schedules for external reporting in accordance with GAAP. As a consequence, the Township has not developed the tools and resources necessary to enable its employees to prepare reports in conformity with GAAP in the normal course of performing their assigned functions. The Township has committed the resources necessary to meet its internal reporting needs. In this regard, it is not unlike many other Governmental Units of its size.

This communication is intended solely for the information and use of management, the Township of Maple Forest's Board of Directors and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Keskine, Cook, Miller & Reppuhn LLP

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